

## Old Age, Disability, Death

First laws: 1911 (wage earners) and 1931 (salaried employees).  
Current law: 1987 (Social Insurance Code).  
Type of program: Social insurance system.  
**Exchange rate:** U.S.\$1.00 equals 32.13 francs.

### Coverage

All economically active persons in the private sector including self-employed.  
Special systems for railway and public employees.

### Source of Funds

**Insured person:** 8% of earnings.

**Employer:** 8% of payroll.

**Government:** 8% of earnings.

Minimum amount for contribution and benefits purposes: 100% of social minimum wage (42,677 francs per month); maximum, 5 times the social minimum wage (213,387 francs per month).

### Qualifying Conditions

**Old-age pension:** Age 65 (men and women) and 120 months of coverage. An early old-age pension is payable at age 60 with 480 months of paid or deemed coverage.

An early pension is also payable at age 57 with 480 months of paid coverage; retirement necessary.

Retirement may be deferred to age 68.

**Disability pension:** Under age 65. Inability to perform former occupation or any similar occupation permitted by the person's strength and aptitude. 12 months of coverage during the 3 years before onset of disability, except in cases of accidents or occupational diseases.

**Survivor pension:** 12 months of coverage in 3 years before insured's death or insured was pensioner at death.

### Old-Age Benefits

**Old-age pension:** Lump-sum of 8,959 francs per month if insured for 40 years.

Benefit is reduced 1/40 for each year less than 40, plus increments equal to 1.78% of revalued lifetime covered earnings per year of completed insurance coverage.

Minimum pension: 36,650 francs per month if insured for 40 years; reduced by 1/40 for each year less than 40. If less than 20 years of insurance, minimum pension is not payable.

Maximum pension: 169,676 francs per month.

Adjustment: Automatic indexation of pensions to changes in cost of living and periodic adjustments according to wage changes.

### Permanent Disability Benefits

**Disability pension:** Same as old-age pension.

If disability occurs before age 55, pension is calculated to age 55 on imputed average earnings of the insured from age 25 to date of 1st payment of pension.

Minimum disability pension: Same as for old-age pension.

Adjustment: Automatic indexation of pension to changes in cost of living and periodic adjustments according to wage changes.

## Survivor Benefits

**Survivor pension:** 100% of insured's lump-sum old-age pension, plus 75% of increment earned by insured. Payable to either spouse, including a divorced spouse, based on years of marriage and number of contributions. Benefit is income tested.

Orphans: 1/3 of insured's basic pension, plus 25% of increment earned by insured. Full orphans receive a double pension.

Maximum survivor pensions: 100% of total pension of insured.

Automatic indexation of benefits to changes in cost of living and periodic adjustments according to wage changes.

### Administrative Organization

Ministry of Social Security, general supervision.

Old-Age and Invalidity Insurance Institution, administration of program for wage earners. Managed by employee-employer governing body, chaired by government official.

Private Salaried Employees' Pension Fund, administration of program for salaried employees; managed by employee-employer governing body; chaired by government official.

## Sickness and Maternity

First law: 1901.

Current law: 1992 (Social Insurance Code).

Type of program: Social insurance system. Cash and medical benefits.

### Coverage

Salaried employees and social security beneficiaries.

Special systems for self-employed workers, artisans, and farmers.

Voluntary membership in sickness fund for those not covered compulsorily.

### Source of Funds

**Insured person:** 4.5% (wage earners) or 2.575% (salaried employees) of earnings. Pensioners, 2.5% of pension.

**Employer:** 4.5% of wages and 2.575% of salaries. Pension insurance institutions, 2.5% of pensions paid.

**Government:** Variable percentage of contributions to social security programs, whole cost of maternity allowances.

Maximum earnings for contribution purposes: 5 times national minimum reference wage (213,387 francs per month).

### Qualifying Conditions

**Cash sickness and medical benefits:** Membership in sickness fund.

**Cash maternity benefits:** Membership in fund 6 months in year prior to confinement for entitlement to cash benefits, no minimum waiting period for in-kind maternity benefits.

Maternity allowance: Not entitled to in-kind maternity benefits.

Residency required. Mandatory medical exams before and after birth.

### Sickness and Maternity Benefits

**Cash sickness benefit:** 100% of earnings, payable for up to 52 weeks from 1st day of absence.

**Cash maternity benefit:** 100% of earnings, payable for 8 weeks before and 8 weeks after confinement (12 weeks if complications,

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multiple births, or if mother nursing child). Parental leave of 8 weeks available upon adoption of child.  
Maternity allowance: Lump-sum of 100,270 francs payable for total of 16 weeks.

### Workers' Medical Benefits

**Medical benefits:** Free choice of service provider. Services provided by doctors and hospitals under contract, according to collectively agreed upon fees for service. Includes general and specialist care, hospitalization, laboratory services, maternity care, dental care, appliances, medicines, transportation, and cures. Insured share in the cost of medical benefits: 20% of cost of medicines; 5% for consultations; 20% for home visits, 209 francs a day for hospitalization and 20% for dental care.  
Reimbursement for drugs, 40-80% of cost; serious illness, 100%.

### Dependents' Medical Benefits

**Medical benefits for dependents:** Same as for insured.

### Administrative Organization

Ministry of Social Security, general supervision.  
Administration of benefits by nine funds each responsible for different occupational categories. Funds, managed by elected committees composed of representatives of insured persons and employers.

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## Work Injury

First law: 1902.  
Current laws: 1925 and 1954.  
Type of program: Social insurance system.

### Coverage

Employees, apprentices, domestic workers, and self-employed.  
Special systems for public employees, students, and military.

### Source of Funds

**Insured person:** None (except for self-employed).  
**Employer:** 0.5% to 6% of payroll, according to risk.  
**Government:** 50% of cost of administration, and 1/3 of pension increases due to changes in cost of living and in wage levels.  
Maximum salary for contribution and benefit purposes: 213,387 francs per month.

### Qualifying Conditions

**Work-injury benefits:** No minimum qualifying period.

### Temporary Disability Benefits

**Temporary disability benefit:** 100% of earnings.  
Payable from 1st day of incapacity for up to 13 weeks.  
Benefit is converted to a permanent pension from 14th week.

### Permanent Disability Benefits

**Permanent disability pension:** 85.6% of earnings during last year up to a maximum of 182,593 francs per month, if totally disabled.  
Constant-attendance supplement: Up to 100% of base salary.

Child's supplement: 10% of pension for each child under age 18 (27 if student, no limit if disabled) if insured is 50% or more disabled.  
Not to exceed 100% of base salary.

Partial disability: Percent of full pension proportionate to degree of disability; converted to lump sum after 3 years if disability 10% or less (on request if disability 10%-40%).

Adjustment: Automatic indexation of benefits to changes in cost of living and periodic adjustments according to wage changes.

### Workers' Medical Benefits

**Medical benefits:** Necessary care, including medical treatment and surgery, hospitalization, medicines, appliances, and rehabilitation.

### Survivor Benefits

**Survivor pension:** 42.8% of earnings of insured, or 53.5% if disabled, payable to widow or widower. Upon survivor's remarriage, lump sum is equal to 60 months' pension if under age 50 or 36 months' if aged 50 or over.  
Orphans: 21.4% of earnings for each orphan under age 18 (27 if student, no limit if disabled). Other eligible survivors (in absence of above): Parents and grandparents, or caretaker of insured.  
Maximum survivor pensions: 85.6% of earnings of insured.  
Funeral grant: Lump sum of 1/15 of annual earnings or minimum wage, whichever is higher.  
Adjustment: Automatic indexation of benefits to changes in cost of living or periodic adjustment according to wage changes.

### Administrative Organization

Ministry of Social Security, general supervision.  
Accident Insurance Association, administration of program for workers in industry, agriculture, forestry, and special funds.

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## Unemployment

First law: 1921.  
Current laws: 1976 and 1978.  
Type of program: Social insurance system.

### Coverage

Employed persons, self-employed persons under certain conditions, recent graduates of schools, and those who have completed vocational training, aged 16-24.

### Source of Funds

**Insured person:** 2.5% special solidarity tax.  
**Employer:** None.  
**Government:** Degree of financing set on a yearly basis by legislation.

### Qualifying Conditions

**Unemployment benefit:** 26 weeks of work in last 12 months.  
Self-employed persons, 5 years except for special cases; recent graduates, 26 weeks of registered unemployment. Registered at employment office, capable of and seeking work. Unemployment not due to voluntary leaving or refusal of suitable job offer.

### Unemployment Benefits

**Unemployment benefit:** 80% of base salary during last 3 months up to 2.5 times social minimum wage (2 times after 182 days; 1.5 times after 365 days); recent graduates, 70% of social minimum wage; self-employed persons, 80% of social minimum wage.

Amount reduced for unemployed person living with someone whose earnings exceed 2 times social minimum wage.

Payable for up to 365 days in 24-month period. Extension possible for 12, 9, 6 months for older unemployed; additional extension for hard-to-place unemployed.

Adjustment: Indexed to changes in cost-of-living.

### Administrative Organization

Ministry of Labor, general supervision.

Employment Agency, administration of program and payment of allowances.

Local employment offices and clerks of local governments, receipt of claims.

8,904 francs a month each additional child; plus 522 francs a month per child aged 6-11 and 1,566 francs each if aged 12 or over.

Supplementary allowance of 2,141 francs per month added for seriously disabled child.

Birth allowances: 56,213 francs, payable in 3 equal installments as prenatal allowance, birth grant, and postnatal allowance.

Maternity allowances: 100,270 francs for total of 16 weeks.

School reentry allowances: 3,655 francs for 1 child over age 6; 5,222 francs if over age 12. 6,226 francs per child if there are 2 children over age 6; 7,833 francs if over age 12. 8,662 francs per child if there are 3 or more children over age 6; 10,190 if over age 12.

Education allowances: 15,667 francs per month.

Adjustment: Indexed to changes in cost-of-living.

### Administrative Organization

Ministry of the Family, general supervision.

National Family Allowance Fund, administration of allowances.

## Family Allowances

First laws: 1947 (employed persons) and 1959 (self-employed persons).

Current laws: 1985 (family allowances), 1977 (birth allowances), 1980 (maternity allowance), 1986 (return to school allowances), and 1988 (education allowance).

Type of program: Dual social insurance and universal system.

### Coverage

All children who are raised or legally domiciled in country.

(Payable to nonresident children of foreign workers.)

### Source of Funds

**Insured person:** Employee, none. Self-employed professional, 0.7% of net income.

**Employer:** None.

**Government:** 1.7% of private sector employer contributions; entire cost of administration and birth, maternity and education allowances.

Maximum salary for contribution purposes: 213,387 francs per month.

### Qualifying Conditions

**Family allowances:** Child must be under age 18 (27 if student, no limit if disabled before age 18).

Birth allowance: Proof of prescribed medical examinations and mother resident in Luxembourg.

Maternity allowance: Mother must be resident of Luxembourg.

School reentry allowances: Payable to families with 1 or more children aged 6-18 (27 if student) who are eligible for family allowances.

Education allowances: All residents who are raising 1 or more children in country for whom they receive family allowances.

### Family Allowance Benefits

**Family allowances:** 3,211 francs per month for 1 child; 8,669 francs per month for 2 children; 17,573 per month for 3 children; and

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